

DEPARTMENT OF FINANCIAL INSTITUTIONS
MINUTES OF MEETING
OCTOBER 13, 2005

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 30 South Meridian Street, Suite 300, Indianapolis, Indiana. Attending the meeting from the Department were: Judith G. Ripley, Director; Philip Goddard, Deputy Director, Chief Legal Counsel and Secretary; James M. Cooper, Deputy Director; Kirk J. Schreiber, Senior Bank Analyst; Gina R. Williams, Supervisor, Administration Division; Chuck T. Stumpf, Deputy Director, Administration Division; Mark Tarpey, Supervisor, Consumer Credit Division; Mark Powell, Supervisor, Credit Union Division; John Schroeder, Deputy Director Non-Depository Division and Associate Counsel. Representing Indiana Members Credit Union, Indianapolis were: Ron Collier, President & CEO and Mike Miller, Vice President of Operations. Representing American Share Insurance, Dublin, Ohio were: Dennis Adams, President and David Watson, Vice President. Also attending was Larry Tomlin, Attorney for Krieg DeVault LLP and Michael R. Brown, Vice President of Executive Media.

I. EXECUTIVE SESSION: 8:30 a.m.

James Cooper opened the session with a review of a report of examination, which is confidential as provided in IC 28-1-2-30. This aspect of the Executive Session is authorized by IC 5-14-1.5-6.1(b)(7)

II. PUBLIC SESSION: 9:00 a.m.

- A. Members Present: David Bochnowski, Chairman; Joseph Pierce, Vice Chairman; Paul Sweeney Michael Davis and Travis Holdman. Rick Rice was absent.
- B. Date of next meeting: November 10, 2005 @ 9:00 a.m., at the Indiana Department of Financial Institutions, 30 South Meridian Street, Suite 300, Indianapolis, Indiana.
- C. Approval of the minutes of the meeting held on August 11, 2005. Chairman Bochnowski entertained a motion to approve the minutes of September 8, 2005 meeting. Mr. Sweeney moved approval of the minutes; Mr. Davis seconded the motion, and the motion passed unanimously.
- D. No action was taken pursuant to the executive session, as the information was advisory only.
- E. **Predatory Lending:** Mr. Goddard stated that in the September Members meeting, Mr. Pierce had brought up the subject of Predatory Lending and what the situation was in the state of Indiana. At that time, Mr. Goddard had very little information on the subject and advised the Members that he would address the subject in the October meeting. Mr. Goddard shared with the Members a report that was issued from the Federal Reserve Bank of St. Louis in June of 2005 on Predatory Lending. In the report was a break down of various states Predatory acts that had been inactive and Indiana was one that had been enumerated. Mr. Goddard stated that two years ago the department passed a Predatory Lending Act and part of it was to establish an Anti Fraud Unit in the Attorney Generals office to take

enforcement actions. Mr.

Goddard introduced Kathy Hulbert from the Attorney Generals office to give an overview of what type of activity they have had and what the situation is in Indiana. Ms. Hulbert was the first member of the Home Owner Protection Unit which started in May. In July funding was started by the Home Loan Practice Act. Ms. Hulbert introduced Ms. Anne Bobcock-Stiner, Attorney from the Attorney Generals office. There are four people who make up the unit; Ms. Hulber, Ms. Bancock -Stiner, Paraleagal, and Investigator. The Unit is made up of two functions: (1) Inforcing Code 24-9 and (2) Prosecute real estate licensees and real estate appraisers in front of their licensing board. The Unit has two fundings: (1) \$3.00 recording fee from every residential home loan in Indiana that's accessed and (2) a \$10.00 renewal fee for real estate licensees and real estate appraisers which go to fund the prosecution for the two licenses. Ms. Hulber stated that under 24-9 they have only received one notice of intent to file a civil law suit which they received in September. They have received numerous complaints from people who have gone through bad real estate deals. Ms. Hulber stated that the Attorney Generals Office is looking over these complaints. They are in the process of subpoenaing all wrong documents to see if the people received proper disclosure. Their main focus is to make sure that those who got raped up in the high cost of home loans get some relief and to prosecute the title companies, mortgage brokers, home inspector and real estate agents.

Mr. Holdman ask how many complaints have they received due to Predatory Lending issues. Ms. Hulber said they have had at least thirty or more complaints.

Chairman Bochnowski asked if the nature of the complaint was a particular segment of our society or was it across the board geographically, Ms. Hulber stated that most of the complaints come from Central Indiana.

Director Ripley asked if there were any complaints on brokers and their fees, Ms. Hulber stated that she often gets mail from constituents wanting to know how much are they legally allowed to charge and what kind of fees can they charge.

Ms. Hulbert will keep the Members updated in their progress.

F. American Share Insurance: Mr. Powell introduced Mr. Dennis Adams, President of American Share Insurance (ASI) to present to the Members a brief overview of ASI. Mr. Adams introduced David Watson, Vice President of ASI. Mr. Adams stated that ASI has been in operation since 1974 in the State of Ohio. Mr. Adams presented to the Members the following information of ASI:

- American Share Insurance (ASI) is a credit union-owned share-guaranty corporation chartered under Section 1761 of The Ohio Revised Code in 1974 to insure credit union member shares (deposits).
- Pursuant to IC 28-7-1-9 (c)(4), ASI was approved by the Indiana Department of Financial

Institutions on September 29, 1983 as an alternative form of share insurance to that provided by the National Credit Union Administration (NCUA).

- The company is dual regulated by the Ohio Departments of Commerce and Insurance and licensed by the Ohio Department of Insurance. The company is also subject to annual examination and oversight by the Indiana Department of Financial Institutions, and the corresponding credit union supervisors in the other seven states of operation.
- As of June 30, 2005, ASI insured 190 credit unions in eight states: Alabama, California, Idaho, Illinois, Indiana, Maryland, Nevada and Ohio. Total member shares insured approximated \$13.248 billion as of the same date.
- Currently, ASI insures 20 of the 49 Indiana state-chartered credit unions (41%), comprising approximately \$1.116 billion in member shares as of June 30, 2005. This amounts to about 8.5% of ASI's total primary share insurance-in-force for the same period, and 22% of the \$4.976 billion of total shares and deposits in all Indiana state-chartered credit unions as of the same date.
- Additionally, ASI's wholly-owned stock insurance subsidiary, Excess Share Insurance Corporation (ESI), provides insurance to federally-insured credit unions above the \$100,000 federal insurance limits. As of June 30, 2005, ESI was licensed in 32 states plus the District of Columbia and insured a total of 244 credit unions.
- As of June 30, 2005, ESI provided this coverage to 18 Indiana state and federally-chartered credit unions, comprising \$330 million in coverage, or 10.7% of ESI's approximate \$3.09 billion of total coverage in effect.

G. DIVISION OF BANKS AND TRUST COMPANIES:

1. Farmers State Bank, LaGrange, LaGrange County, Indiana

Mr. Pierce excused himself from the discussion and left the room due to his relationship with Farmers State Bank.

Mr. Kirk Schreiber, Senior Bank Analyst presented the application. Mr. Schreiber introduced Larry Tomlin, Attorney for Krieg DeVault LLP representing the applicant, Mr. Schreiber informed the Members that Farmers State Bank, LaGrange, Indiana ("Farmers") proposes to establish multiple banking branches pursuant to IC 28-2-13.

This transaction represented the agreement by Farmers to acquire certain banking assets and liabilities of The First National Bank of Fremont, Fremont, Indiana through a Purchase and Assumption Agreement dated July 18, 2005. Under the terms of the agreement Farmers will acquire all banking offices and certain equipment at fair market value, selected loans at par and investment securities at current market value together with other miscellaneous assets. Additionally, Farmers will assume selected liabilities and obligations including deposit accounts. A premium of 7.6% will be calculated for the majority of the deposit accounts.

On a proforma basis as of August 31, 2005, Farmers would have total assets of \$433 million and an adequate tier one capital ratio of 5.83%. As of June 30, 2005, Farmers ROA was 1.18% and its three year average return on assets is 1.22%.

Mr. Schreiber informed the Members that the information on Farmers most recent safety and soundness and CRA examinations could be found on page 3 of their outlines.

Farmers will not retain any senior management of The First National Bank of Fremont. Other employees of The First National Bank of Fremont will be offered jobs by Farmers and absorbed into the bank.

The Federal Deposit Insurance Corporation ("FDIC") views this application as a merger transaction. An approval of the merger application by the FDIC is expected next week

Therefore, the staff recommended approval of the application.

A motion for approval of the application was made by Mr. Holdman and seconded by Mr. Davis. The application received four votes for approval and was approved.

H. CREDIT UNION DIVISON:

1. BEACON CREDIT UNION, WABASH, WABASH COUNTY, INDIANA

This application was presented by Mark K. Powell, Supervisor, Credit Union Division. Beacon Credit Union has applied to the Members of the Department of Financial Institutions for approval of their proposed merger of Cass County Farm Bureau Credit Union, Logansport, Cass County, Indiana into Beacon Credit Union.

This was a voluntary merger being entered into by the Board of Directors of Cass County Farm Bureau Credit Union in order to provide the more complete and sophisticated financial services of Beacon Credit Union to the membership of Cass County Farm Bureau Credit Union. Further, Cass County Farm Bureau Credit Union has been struggling to operate in a profitable manner.

Mr. Powell explained that due to the difference in the asset size of the credit unions involved the merger would have little or no effect upon the balance sheet of Beacon Credit Union.

Mr. Sweeney made a motion for approval which was seconded by Mr. Pierce. The motion to approve the voluntary merger of Cass County Farm Bureau Credit Union into Beacon Credit Union was unanimously approved.

2. INDIANA MEMBERS CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

This application was presented by Mark K. Powell, Supervisor, Credit Union Division.

Indiana Members Credit Union has applied to the Members of the Department of Financial Institutions for approval of their proposed merger of Capital Plus Credit Union, Indianapolis, Marion County, Indiana into Indiana Members Credit Union.

This was a voluntary merger being entered into by the Board of Directors of Capital Plus Credit Union in order to provide the more complete and sophisticated financial services of Indiana Members Credit Union to the membership of Capital Plus Credit Union. Further, Capital Plus Credit Union has been struggling to operate in a profitable manner.

Mr. Powell explained that due to the difference in the asset size of the credit unions involved the merger would have little or no effect upon the balance sheet of Indiana Members Credit Union.

Mr. Davis made a motion for approval which was seconded by Mr. Sweeney. The motion to approve the voluntary merger of Capital Plus Credit Union into Indiana Members Credit Union was unanimously approved.

I. DIRECTOR'S COMMENTS AND REQUESTS :

1. **Hendricks County Bank and Trust Company, Brownsburg, Hendricks County, Indiana**
The bank notified the Department that they closed the branch office that was known as the "Prestwick Branch" located at 5201 E. U.S. Highway 36, Suite 213, Avon, Hendricks County, Indiana. The branch office closed on August 31, 2005 @ 5:00 p.m. **This item was for informational purposes only.**
2. **MainSource Bank, Greensburg, Decatur County, Indiana**
The bank notified the Department that they closed the branch banking office that was known as the "Chesterfield Branch" located at 408 E. Main Street, Chesterfield, Madison County, Indiana. The branch office closed on September 16, 2005 @ 5:00 p.m. **This item was for informational purposes only.**
3. Director Ripley advised the Members of actions taken pursuant to delegated authority
4. Mr. Sweeney wanted to know if the Household Finance Corporation was to be discussed, Mr. Schroeder stated that it was for informational purposes only.

J. ACTIONS BY DELEGATED AUTHORITY:

1. **CITIZENS BANK, MOORESVILLE, MORGAN COUNTY, INDIANA**
The bank has applied to the Department for approval to establish a branch office to be located at **1675 West Smith Valley Road, Suite A1, Greenwood, Johnson County, Indiana.** The application was received on August 22, 2005. The branch is to be known as **Greenwood West Branch.** The proposed branch is a 1,200 square foot existing office space in a retail shopping center known as "Center at Smith Valley." The applicant is leasing the

space from an independent third party for five years with one extension of five years with an annual rental

of \$25.8M. It is estimated that there will be \$30M worth of leasehold improvements. Furniture, fixtures, and equipment costs are projected at \$100M. No relationship exists between the parties involved in this transaction. The bank's three-year average ROA is 1.40%. As of June 30, 2005, the bank's ROA was 1.15% and its Tier 1 leverage capital ratio was 11.31%. The investment in total fixed assets to total capital will increase from 15.86% to 16.26% after the establishment of this branch. This will be the institution's 12th branch. **The Director approved this on September 20, 2005, under delegated authority.**

2. **STATE BANK OF LIZTON, LIZTON, HENDRICKS COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch office to be located at **5201 East Highway 36, Suite 213, Avon, Hendricks County, Indiana**. The application was received on August 22, 2005. The branch is to be known as **State Bank of Lizton**. The proposed branch is a 2,400 square foot existing office space in a retail shopping center known as "Prestwick at the Crossing." The applicant is leasing the space from an independent third party for three years with one extension of three years with an annual rental of \$34.8M. It is estimated that there will be \$35M worth of leasehold improvements. Furniture, fixtures, and equipment costs are projected at \$141M. No relationship exists between the parties involved in this transaction. The bank's three-year average ROA is 1.13%. As of June 30, 2005, the bank's ROA was 1.23% and its Tier 1 leverage capital ratio was 13.16%. The investment in total fixed assets to total capital will increase from 10.38% to 10.99% after the establishment of this branch. This will be the institution's 7th branch. **The Director approved this on September 20, 2005, under delegated authority.**

3. **COMMUNITY BANK OF SOUTHERN INDIANA, NEW ALBANY, FLOYD COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch office to be located at **13205 Magisterial Drive, Louisville, Jefferson County, Kentucky**. The application was received on August 18, 2005. The branch is to be known as **Community Bank of Southern Indiana**. The proposed branch is a 3,000 square foot office space within a newly constructed strip mall. The bank is leasing the space from Horizon Investments VI, LLC, Louisville, Kentucky. A director of the bank and its holding company owns 20% of the voting and equity interest of Horizon Investments VI, LLC. Upon request the bank provided an independent analysis of comparable leased property in the Louisville MSA. The independent analysis showed that the proposed price per square foot was reasonable. The term of the lease is for 15 years with five five-year options. The leased space will have an annual rental of \$71,820.00 for years one through five of the initial term, increasing to \$76,200.00 for years six through ten of the initial term and \$81,000.00 for years 11-15 of the initial term. It is estimated that there will be \$164,000 worth of leasehold improvements. Furniture, fixtures, and equipment costs are projected at \$202,000. The bank's three-year average ROA is 0.75%. As of June 30, 2005, the bank's ROA was 0.62% and its Tier 1 leverage capital ratio was 8.12%. The investment in total fixed assets to total capital will increase from 19.79% to 20.44% after the establishment of this branch. This will be the

institution's 16th branch. **The Director approved this on September 20, 2005, under delegated authority.**

4. LAFAYETTE COMMUNITY BANK, LAFAYETTE, TIPPECANOED COUNTY, INDIANA

The bank has applied to the Department for approval to establish a branch office to be located at **3602 Cougill Drive, Lafayette, Tippecanoe County, Indiana**. The application was received on May 23, 2005. The branch is to be known as **Lafayette Community Bank**.

The proposed branch is a newly constructed 6,000 square foot branch banking facility. The bank is leasing the space from Oceans Fifteen, LLC, Lafayette, Indiana. Oceans Fifteen, LLC has fifteen members that are directors, officers or employees of Lafayette Community Bank, each within undivided percentage interest in the LLC of 6.667%. Upon request the bank provided an independent analysis of comparable leased property in the Tippecanoe County area. The independent analysis showed that the proposed price per square foot was reasonable. The term of the lease is for five years with two five-year options. The leased space will have an annual rental of \$78,000. It is estimated that there will be \$100,000 worth of leasehold improvements. Furniture, fixtures, and equipment costs are projected at \$100,000. The bank's three-year average ROA is 0.98%. As of June 30, 2005, the bank's ROA was 1.17% and its Tier 1 leverage capital ratio was 6.90%. The investment in total fixed assets to total capital will increase from 4.22% to 5.87% after the establishment of this branch. This will be the institution's 4th branch. **The Director approved this on September 20, 2005, under delegated authority.**

5. SYMPHONY BANK, INDIANAPOLIS, MARION COUNTY, INDIANA

Symphony Bank has requested approval of the Director for permission to fill the vacancy left by the resignation of the bank's Board of Director Phillip Bradney. Symphony Bank was approved as a state chartered commercial bank by the Department on April 14, 2005, and opened for business on June 29, 2005. Pursuant to the approval conditions by the Department, the Director must give prior approval to any changes in the officers or directors of the bank in the first three years of operation. Symphony Bank has requested adding Mr. Kenneth L. Sendelweck as a Director of the bank. Based on a review of all the information submitted on Mr. Sendelweck, no unfavorable responses were noted during the investigation. **This was approved on September 20, 2005, under action taken by the Director.**

6. 1ST SOURCE BANK, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA

The bank has applied to the Department for approval to establish a branch office to be located at **1200 Nappanee Street, Elkhart, Elkhart County, Indiana**. The application was received on September 26, 2005. The branch is to be known as **Martin's - Elkhart Branch**. The proposed branch is a 726 square foot office inside a Martin's Super Market. The bank is leasing the space from an independent third party with an annual rental of \$15,000 for the first year increasing to \$19,200 for the second year and \$21,000 for the third of the lease. The term of the lease is for three years with two three-year options. It is estimated that there will be \$37,000 worth of leasehold improvements to make the site into a banking facility. Furniture, fixtures, and equipment costs are projected at \$113,000. No relationship exists

between parties involved in this transaction. The bank's three-year average ROA is 0.69%. As of June 30, 2005, the bank's ROA is 1.01% and its Tier 1 leverage capital ratio is 10.65%. The investment in total fixed assets to total capital will be 8.82% after the establishment of

this branch and the branch relocation described below. The institution will have 62 branches with the opening of this branch. **The Director approved this on October 7, 2005, under delegated authority.**

7. **1ST SOURCE BANK, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

The bank has applied to the Department for approval to relocate a branch office from **135 South Front Street, Dowagiac, Cass County, Michigan** to **223 South Front Street, Dowagiac, Cass County, Michigan**. The application was received on September 26, 2005. The branch will continue to be known as **Dowagiac Branch**. The bank proposes to build a 3,450 square foot new modern facility. The estimated cost for constructing the new branch is \$464,000. Furniture, fixtures, and equipment are projected at \$97,000. No relationship exists between the parties involved in this transaction. The bank's current branch will terminate its current month-to-month lease. The expected date to relocate is December 5, 2005. The bank's three-year average ROA is 0.69%. As of June 30, 2005, the bank's ROA is 1.01% and its Tier 1 leverage capital ratio is 10.65%. The investment in total fixed assets to total capital will be 8.82% after the establishment of this branch relocation and the branch described above. The bank will continue to have 62 branches after the relocation. **The Director approved this on October 7, 2006, under delegated authority.**

8. **TOWER BANK & TRUST COMPANY, FORT WAYNE, ALLEN COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch office to be located at **6430 West Jefferson Boulevard, Fort Wayne, Allen County, Indiana**. The application was received on September 8, 2005. The branch is to be known as **Covington Plaza Branch**. The proposed branch is a 3,000 square foot newly constructed office space on an outlot of a retail shopping center known as "Covington Plaza." The applicant is leasing the space from an independent third party for 15 years with two extensions of five years with an annual rental of \$60,000. Furniture, fixtures, and equipment costs are projected at \$50,000. No relationship exists between the parties involved in this transaction. The bank's three-year average ROA is 0.60%. As of June 30, 2005, the bank's ROA was 0.74% and its Tier 1 leverage capital ratio was 9.71%. The investment in total fixed assets to total capital will increase from 5.28% to 5.38% after the establishment of this branch. This will be the institution's fifth branch. **The Director approved this on October 7, 2005, under delegated authority.**

9. **PEOPLES BANK, SB, MUNSTER, LAKE COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch office to be located at **1801 West 25th Avenue, Gary, Lake County, Indiana**. The application was received on September 1, 2005. The branch is to be known as **Gary Banking Center**. The proposed branch is a 3,200 square foot, one story, newly constructed branch banking facility.

The applicant has purchased the land from an independent third party for \$446,372. The estimated cost for constructing the branch is \$640,000. Furniture, fixtures, and equipment costs are projected at \$250,000. No relationship exists between the parties involved in this transaction. As of June 30, 2005, the bank's ROA was 1.20% and its Tier 1 leverage capital

ratio was 7.62%. The investment in total fixed assets to total capital will increase from 28.78% to 31.48% after the establishment of this branch. This will be the institution's eighth branch. **The Director approved this on October 7, 2005, under delegated authority.**

10. FIRST STATE BANK OF ELDORADO, ELDORADO, SALINE COUNTY, ILLINOIS

An application for issuance of a certificate of admission was received from First State Bank of Eldorado, Eldorado, Saline County, Illinois ("First State Bank"). First State Bank filed the application to enable it to transact business in Indiana in accordance with the provisions of IC 28-2-18 and IC 28-1-22. The bank intends to conduct banking activity through a branch in Evansville, Indiana. First State Bank is an Illinois state chartered bank. James V. Douglass, 1010 West Buena Vista, Evansville, Vanderburgh County, Indiana has been appointed as resident agent for service of legal process by Farmers State Bank. **The Director issued a Certificate of Admission on October 7, 2005, under delegated authority.**

11. FIREFIGHTERS CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Computer Experts, Inc. – Indianapolis – 10 members (common bond of occupation as defined by 28-7-1-10).

Server Partners, LLC – Indianapolis – 30 members (common bond of occupation as defined by 28-7-1-10).

Garrison & Kiefer, P.C. – Indianapolis – 15 members (common bond of occupation as defined by 28-7-1-10).

Professional Fire Fighters Union of Indiana – Indianapolis – 6,800 members (common bond of labor organization membership as defined by 28-7-1-10). **This was approved by the Director on September 6, 2006, under delegated authority.**

12. FORUM CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Information Dynamics – Indianapolis – 11 members (common bond of occupation as defined by 28-7-1-10).

Rama Car Wash – Indianapolis – 60 members (common bond of occupation as defined by

28-7-1-10).

ESI – Indianapolis – 44 members (common bond of occupation as defined by 28-7-1-10). Dyna-linc, Inc. – Indianapolis – 6 members (common bond of occupation as defined by 28-7-1-10).

Voelkel's Collision Repair – Indianapolis – 13 members (common bond of occupation as defined by 28-7-1-10).

University of Phoenix. – Indianapolis – 32 members (common bond of occupation as defined by 28-7-1-10).

Maxim Healthcare – Indianapolis – 310 members (common bond of occupation as defined by 28-7-1-10).

Infrastructure Systems, Inc. – Orleans – 40 members (common bond of occupation as defined by 28-7-1-10). **The Director approved this on September 9, 2005, under delegated authority.**

13. TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Segmentz, Inc. & Express-1 – Buchanan, MI – 75 members (common bond of occupation as defined by 28-7-1-10).

Amigo Pepe – Niles, MI – 3 members (common bond of occupation as defined by 28-7-1-10). Cass County Mental Health Authority d/b/a Woodlands Behavioral Healthcare Network. – Cassopolis, MI – 133 members (common bond of occupation as defined by 28-7-1-10). Griffith Public Schools – Griffith – 250 members (common bond of occupation as defined by 28-7-1-10).

NA Investment, Inc. – Richmond – 1 member (common bond of occupation as defined by 28-7-1-10). **The Director approved this on September 26, 2005, under delegated authority.**

14. FORUM CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Snelling Personal Services – Indianapolis – 50 members (common bond of occupation as defined by 28-7-1-10). **The Director approved this on September 29, 2005, under delegated authority.**

15. Amherst Funding Group, L.P. requested a consumer loan license. Applicant is based in

Austin, Texas. They will be making second mortgage loans. They will be servicing their loans. Loans will be closed by title companies. They currently operate in 2 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). **The Director approved this on September 9, 2005, under delegated authority.**

16. **BSM Financial, L.P. d/b/a BrokerSource /Banksource Mortgage** requested a consumer loan license. Applicant is based in Addison, Texas. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies/attorneys. They currently operate in 21 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and members of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). **The Director approved this on September 9, 2005, under delegated authority.**
17. **Cardinal Financial Company, Limited Partnership** requested a consumer loan license. Applicant is based in Warmister, Pennsylvania. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 27 states. The staff's review finds that the financial responsibility, character and fitness of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). **The Director approved this on September 9, 2005, under delegated authority.**
18. **Innovative Mortgage Capital, LLC** requested a consumer loan license. Applicant is based in Irvine, California. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 3 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and members of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **The Director approved this on September 9, 2005, under delegated authority.**
19. **Lexim Mortgage, LLC** requested a consumer loan license. Applicant is based in Birmingham, Alabama. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 13 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and members of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **The Director approved this on September 9, 2005, under delegated authority.**

20. **Maxim Mortgage Corp.** requested a consumer loan license. Applicant is based in Oak Brook, Illinois. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 6 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and officers and directors of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). **The Director approved this on September 9, 2005, under delegated authority.**
21. **ReaLo Mortgage Corp.** requested a consumer loan license. Applicant is based in Plano, Texas. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 2 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and officers and directors of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). **The Director approved this on September 9, 2005, under delegated authority.**
22. **Stonecreek Funding Corp.** requested a consumer loan license. Applicant is based in Denver, Colorado. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 19 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and officers and directors of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). **The Director approved this on September 9, 2005, under delegated authority.**
23. **Terwin Advisors, LLC** requested a consumer loan license. Applicant is based in New York, New York. They will be making second mortgage loans. They will be servicing their loans. Loans will be closed by title companies. They currently operate in 13 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and members of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). **The Director approved this on September 9, 2005, under delegated authority.**
24. **Triam, LLC d/b/a AFM** requested a consumer loan license. Applicant is based in Austin, Texas. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 7 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and members of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). **The Director approved this on September 9, 2005, under delegated authority.**
25. **Universal Mortgage Corp.** requested a consumer loan license. Applicant is based in Mequon, Wisconsin. They will be making second mortgage loans. They will be servicing

their loans. Loans will be closed by title companies. They currently operate in 21 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and officers and directors of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). **The Director approved this on September 9, 2005, under delegated authority.**

26. **Weger Mortgage Corp.** requested a consumer loan license. Applicant is based in Palmdale, California. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 1 state. The staff's review finds that the financial responsibility, character and fitness of the applicant and officers

and directors of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). **The Director approved this on September 9, 2005, under delegated authority.**

27. **WFS Financial, Inc.** requested a consumer loan license. Applicant is based in Irvine, California. They will be making second mortgage loans. They will be servicing their loans. Loans will be closed by title companies. They currently operate in 12 states. WFS is currently an operating subsidiary of Western Financial Bank, a federally chartered savings bank. WFS currently claims an exemption from licensing as an operating subsidiary of a Federal Thrift. They are obtaining the license for possible future changes in ownership. Applicant advises that they will comply with Indiana law even as they remain part of Federal Thrift. Applicant was previously licensed with DFI from 1995 to 1998 under LL# 1342. The staff's review finds that the financial responsibility, character and fitness of the applicant and officers and directors of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). **The Director approved this on September 9, 2005, under delegated authority.**

28. **The Payday Loan Store of Indiana, Inc. d/b/a PLS Check Cashers of Indiana / PLS Check Cashers** requested a check casher license. Applicant is based in Chicago, Illinois. They will be cashing all types of checks. References were all satisfactory. Fee will be 2% to 10%. They currently operate in 8 states. Officers of this entity are currently licensed with DFI under a small loan license #9781, issued in December of 2004 under same entity as applicant. Principals also have ownership in LL #1505, East Chicago Check Cashers, Inc. This entity also has a Check Cashing license under # 58. Principals also have a Money Transmitter license under license # 9393. This entity is known as American Financial Integrity, Inc. The staff's investigation finds that the financial responsibility, business experience, character, and general fitness of the applicant and of the officers and directors are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 28-8-5-12(a). Applicant is recommended for approval. **The Director approved this on September 9, 2005 under delegated authority.**

29. **Speedy Check Cashiers, Inc.** requested a money transmitter license. Applicant is based in Northfield, Illinois. They will be issuing their own money orders. Previously has been an agent for Western Union. Audited Financials show net worth in excess of \$500 K with plans to increase to \$ 1 M within 5 years. They currently operate in Illinois with 11 locations. Applicant has met all of financial requirements under the Act. Applicant is currently licensed as a Check Cashier under DFI CC license #54. The staff's investigation finds that the financial responsibility, business experience, character, and general fitness of the applicant and of the officers and directors of the applicant are such that the money transmission business will be conducted honestly, fairly, and in a manner commanding the confidence and trust of the community and the applicant has fulfilled the requirements imposed by IC 28-8-4-35 of the Money Transmitter Act. **The Director approved this on September 9, 2005, under delegated authority.**

CERTIFICATION:

The Department certifies that the business discussed in the Executive Session was limited only to business that was set out in the Department's Notice of Meeting and Agenda under the heading of "Executive Session." All action taken by the Department, if any, relating to the business discussed in the Executive Session was conducted in the Public Session.

Other Business and Adjournment. Chairman Bochnowski asked if there was other business. Mr. Sweeney ask if the information in their packets for Household Finance Corporation was to be discussed. Mr. Schroeder stated it was for informational purposes only. Mr. Bochnowski entertained a motion to adjourn the meeting; Mr. Holdman moved the motion which was seconded by Mr. Sweeney. The motion passed unanimously.

APPROVED:

ATTEST:

David A. Bochnowski, Chairman

J. Philip Goddard, Secretary